

Governor's Workforce Investment Board Economic Development and Business Retention Committee

**Conference Call
April 7, 2006**

DRAFT MINUTES

Committee Members Present: Mike Grove, Chair; Evan Barrett; John Beaudry; Maureen Kenneally; Tony Preite; John Prinkki.

Committee Members Absent: Llew Jones and Karen Sullivan

Staff: Chris Wilhelm, Pam Watson, and Jessica Snyder

Guests: Andy Poole, Roberta Yager, Todd Younkin, and Emily Lipp Sarota.

Welcome and Introductions

Committee Chairman, Mike Grove, called the meeting to order at 2:20 p.m. Jessica Snyder conducted roll call and Chris Wilhelm reviewed the documents presented to committee members.

Approve Agenda

Ms. Wilhelm reported the agenda item requiring action for a letter of support for the State's Apprenticeship and Training Program had already been addressed by the Apprenticeship Advisory Committee and no action was required by the Economic Development Committee. Chairman Grove moved to approve the revised agenda and Maureen Kenneally seconded the motion. The motion carried unanimously.

Approve Meeting Minutes- 1/19/2006

John Prinkki moved to approve the minutes of the January 19, 2006 meeting as written and Ms. Kenneally seconded the motion. The motion carried unanimously.

WIRED Grant Update

Evan Barrett updated the committee on the WIRED grant. Mr. Barrett reported the WIRED grant is \$15 million over a three year period. Montana was one of thirteen grants awarded from 97 applicants nationwide. Three major technical assistance firms have been contracted to assist the states with adult education issues and regional economic development. Montana is the largest geographic and rural area to be awarded the grant and Montana will leverage the money with other dollars across the state. The WIRED grant will be used to develop the successful industry cluster of biolubricants and biofuels creating a workforce demand with specialty training provided by the tribal colleges, colleges of technologies, and universities, and produce higher value crops for the state. Mr. Barrett stated he serves on a steering committee with Tony Preite, Bruce Nelson, and Keith Kelly along with others who will be hiring a project manager and one other person to oversee the grant. The steering committee is optimistic about the results this grant will produce.

Tony Preite added the Department of Commerce is responsible for administering \$3.5 million of the \$15 million awarded and the Department of Commerce is confident all partners will be successful in creating job opportunities and a value added industry.

Chairman Grove asked what the Economic Development Committee could do to encourage the success of the project. Mr. Barrett stated the committee and the SWIB will receive regular reports from the project director about any developments and asked the committee members to refer any ideas that they may have or hear about to the program. Chairman Grove asked if the committee should be prepared to train people. Mr. Barrett stated the committee should be aware of the training possibilities and would receive a report from education. Mr. Preite stated the Department of Labor and Industry will be instrumental to the project and the SWIB will be advised of training opportunities.

John Beaudry congratulated the staff members. Chairman Grove stated the project was unique and once the committee and SWIB know where the resources will be needed, they can allocate the money to those resources.

Montana Development Report Card

Ms. Wilhelm reviewed the Center for Economic Development's (CFED) 19th Annual Development Report Card for the States. Ms. Wilhelm stated the CFED is a nonprofit organization that rates individual states on three main categories: performance, business vitality, and development capacity. Montana scored "Cs" for performance and development capacity and dropped one grade to a "D" for business vitality. Ms. Wilhelm reported the report card has improved over the past years. The committee members discussed the report card and asked for future report cards to be presented to the committee. Chairman Grove stated the WIRED grant should assist with increasing the grades on future report cards.

Montana Economy at a Glance

Chris Wilhelm reported SWIB members will receive monthly issues of Montana Economy at a Glance via email. The current month's issue as well as the featured articles from previous months could be accessed via the SWIB website.

Todd Younkin, Research and Analysis Bureau, reviewed the Employment Diversity in Montana article from the December 2005 Montana Economy at a Glance. Mr. Younkin pointed out several conclusions that could be drawn from the analysis in relation to economic diversity and median family income. Exceptions to this rule could be found in counties having high mining employment, and these counties should be aware that they would be vulnerable if the industry they rely on were to experience a decline, a risk to which more diversified counties are not exposed.

Healthcare Staffing Shortage Survey

Ms. Wilhelm reported that the Governor's office and the Commissioner of Labor and Industry had indicated they felt anything to do with healthcare was an important issue that could be taken to the SWIB for discussion and further action. Roberta Yager from the MHA reviewed the MHA Staffing Survey and mentioned it was a snapshot of what was reported at the immediate time of survey completion. The survey indicated the number of full time employees, vacancies, and turnovers. Higher turnover rates than vacancies may have been a reflection of when the survey was completed by the healthcare agencies. Some high turnover rates were attributed to the close proximity of cities with universities whose students achieved degrees. Evan Barrett identified that vacancies and turnover rates showed highest in MHA's Regions 2 and 3, which corresponded with the WIRED region. He stated that the Governor's office considered writing the WIRED proposal to target Montana's healthcare staffing shortages. The Governor's office requested this committee evaluate the healthcare staffing shortages, and then recommend the SWIB develop a Healthcare Workforce subcommittee.

Chairman Grove referred the committee members to the Economic Analysis of Montana's Healthcare Industries from the Research and Analysis Bureau. Todd Younkin reviewed the report, and stated the study outlined the current and future projections for the healthcare industry. He also reported the healthcare industry was a high wage industry with a major impact on the state economy and that Brad Eldridge had contracted with MHA to evaluate the 45 individual primary critical care access hospitals in the state. Chairman Grove summarized the two reports and stated there was a great demand for help in the healthcare field and the need would only increase with time. It will be important to supply workers for healthcare related jobs due to the impact on the economy. Healthcare is an issue for the workforce in the state and with opportunities through apprenticeship programs and career clusters, it may be appropriate for Chairman Grove to speak to SWIB Chairman Dan Miles regarding options for a committee or task force. It was identified that another possible issue was the lack of training slots available for healthcare in the universities and colleges. The committee agreed that due to the importance of this issue and the urging of the Governor's office, Chairman Grove would talk to Chairman Miles about the options.

Committee Projects

Chris Wilhelm updated the committee members on past projects of the committee.

National Business Engagement Consortium

Montana was one of seven states to participate in the National Business Engagement Consortium. The purpose was to raise awareness of each state's one-stop workforce system (known as JobLINC in Montana) as a resource for business customers and thereby increase usage and satisfaction. To accomplish this, the Consortium developed strategies and tools geared to the business customer. From January 2003 through June 2003, the strategies and tools were tested on selected industry sectors; business services, retail, manufacturing and transportation, and communication and utilities. The study showed that although mass media campaigns were not a worthwhile investment for focused outreach campaigns, direct mailings were effective.

Initial promotion for JobLINC took place in 2001 with radio, TV and print ads, as well as billboards and a variety of collaterals such as pens and mouse pads. This effort was funded through the state's federal One-Stop Implementation grant. Between 2001 and 2003, promotion had taken place at the local level, primarily by word of mouth.

Labor market Information Institute Pilot Project/Grant

Ms. Wilhelm stated Annette Miller, Deputy Bureau Chief of Research and Analysis, reported this was a single grant to be used to develop new ways to market Labor Market Information to better serve workforce professionals. Ohio was awarded the grant.

H-1B Technical Skills Grant

Ms. Wilhelm reported the H-1B Technical Skills Training Grant provided \$200 million for businesses to train workers for high technology occupations. In 2003, the SWIB recommended the local workforce investment boards partner with businesses in targeted industries to apply for the grant. This grant has been issued to other states as recently as March 2006 and Ms. Wilhelm stated she is researching whether this grant is still available and will report to the committee any updates.

Ms. Wilhelm also presented the Opportunities and Challenges for Montana's Workforce on New Energy Projects document from the Montana Energy Summit on October 18-19, 2005 for the committee to review. Mr. Barrett stated Montana is about to release an energy policy for Montana. He reported opportunities are available across the Montana. Development of cleaner

coal technologies and other broad ranges of long term options for energy development will be addressed in the policy. Mr. Barrett stated the policy will be posted and distributed when ready.

Mr. Beaudry stated he received information from MSU-Billings that stated Montana ranked 50th in the nation in regard to workforce training and education. Mr. Barrett reported Montana was the last state to allocate state funds to workforce training, and the state has been looking at increasing that money and evaluating a sustainable source of money. He stated the state is open to any new ideas. Andy Poole asked Mr. Beaudry to e-mail the information from MSU-Billings to Mr. Barrett to be evaluated. Mr. Barrett stated Montana historically has the highest tuition for two year colleges. Mr. Beaudry asked if opportunities have been missed due to lack of funding. Chairman Grove and Mr. Barrett confirmed opportunities had been missed, and advised when prospective businesses were looking at moving to Montana they look at workforce training and education.

Possible Future Committee Projects

Ms. Wilhelm stated the previous Economic Development Committee toured the Kalispell Business Center. Chairman Grove asked if someone could be invited to present to the committee from the business center or from the Chamber of Commerce. Chairman Grove also suggested a presentation from Printing for Less of Livingston about how they train workers and their perspective on the importance of training dollars. Andy Poole added the state is a partner with Printing for Less and assists them with training.

Pam Watson stated Montana received a call from the state of North Dakota regarding the energy workforce shortage. Ms. Watson reported representatives from Montana, North Dakota, Utah, Colorado and Wyoming met in Denver, Colorado in January as the Rockies Energy Workforce Coalition. Ms. Watson attended as the Montana representative. The Rockies Energy Workforce Coalition discussed the energy workforce shortage and agreed to discuss a needs assessment study. Montana has been researching participating in the needs assessment study with North Dakota. Ms. Watson stated as this project is developed, staff will bring information or action before the committee.

Set Next Meeting/Conference Call

The committee members agreed to meet the day prior to the next full board meeting and scheduled a meeting for the afternoon of June 8, 2006. Evan Barrett requested to participate via phone.

With no further business, the meeting was adjourned at 4:00 p.m.